

AID TO FEDERAL LAND BANKS.

Congressman Morgan has New Plan to Help
Farmers Secure Loans.

Congressman Dick T. Morgan of Oklahoma, has introduced a bill, authorizing the Secretary of the Treasury, during the fiscal year ending June 30, 1921, on request of the Federal Farm Loan Board, to purchase Farm Loan Bonds, issued by the Federal Land Banks, in an amount not exceeding in the aggregate \$100,000,000. In payment of said bonds, the Secretary of the Treasury is authorized to issue non-taxable 4 per cent bonds of an equal amount, to be delivered to each Federal Land Bank, according to the amount of bonds purchased.

In reference to this bill, Mr. Morgan said:

"At present, the question of whether the Farm Loan Bonds issued by the Federal Land Banks are exempt from taxation as provided in the Federal Land Bank Act, is pending before the Supreme Court of the United States. It is understood that no decision will be rendered prior to the October term of this Court. With the uncertainty about their bonds being exempt from taxation, the Federal Land Banks are practically at a stand still. Thousands of farmers are thus being discriminated. The plan which I present would not involve a dollar of additional taxation. There is no question but that the government can issue bonds free from taxation. The Federal Land Banks could sell the government bonds thus received and thus continue their business. Congress would probably hesitate to increase taxation for the purpose of using cash from the Treasury to purchase Farm Loan Bonds."